

BDO 600

Board Director Compensation Trends in Real Estate



Director compensation among middle market public companies is up 12 percent in fiscal year 2013, a significant jump from the 3 percent increase in the previous year, according to an analysis of 600 companies conducted by BDO USA, LLP, a leading accounting and consulting organization.

The real estate sector's board of director pay rose another consecutive year, with average total compensation climbing to \$146,490 from \$133,148. This 10 percent increase ties with the manufacturing sector for the fourth greatest year-over-year growth across all eight surveyed industries. While director compensation rose in each sector this year, various industries experienced different levels of growth. Board directors of financial services non-banking firms saw the largest increase in overall pay this year, with a 36 percent increase to \$123,421, while those in the retail sector had the smallest increase of 2 percent to \$118,997.

"The real estate industry has been experiencing steady improvement over the past few years, and we are seeing director compensation follow accordingly," says **Randy Ramirez, senior director in the Global Employer Services practice at BDO.** "While directors continue work amidst a challenging environment, there is general agreement that the real estate industry is moving in a favorable direction."

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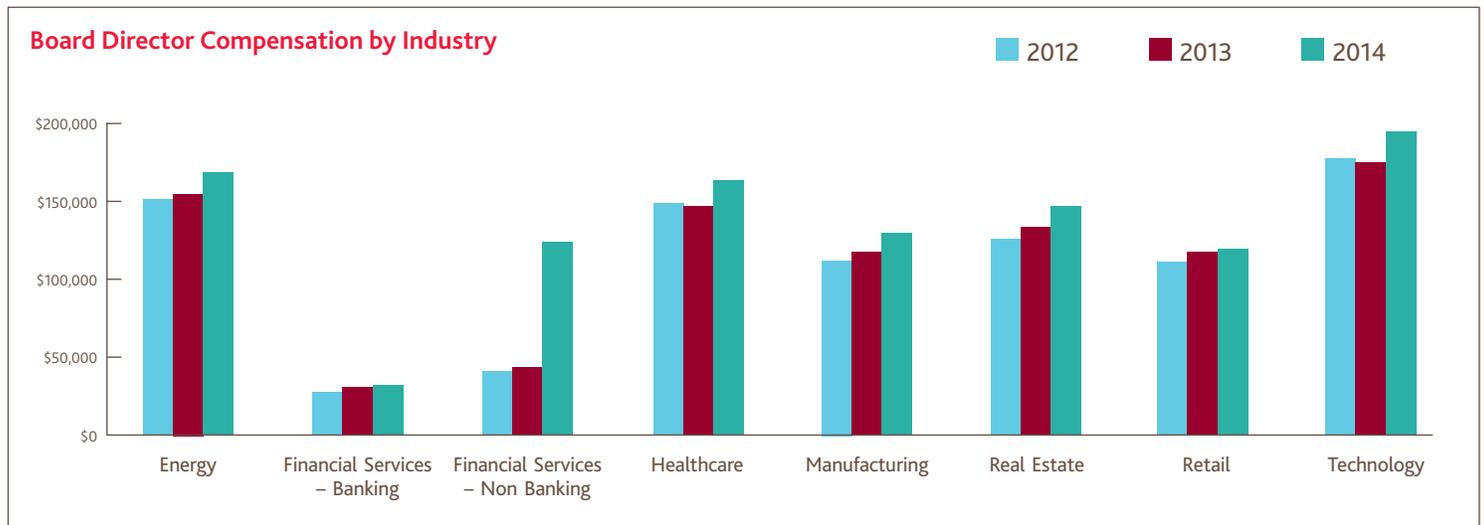
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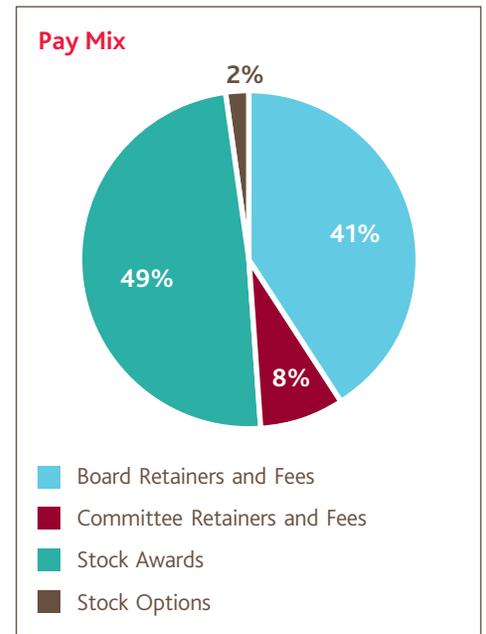


► REAL ESTATE PAY REFLECTS SECTOR'S CONTINUING STRENGTH

Director compensation in the real estate industry holds steady with last year's numbers, ranking fourth at \$146,490 among all surveyed industries. As the sector continues to slowly strengthen despite various industry challenges, board members are experiencing a similar increase in their compensation. Their ability to navigate the sector's rising competition, taxes and interest rates, among other potential obstacles, will contribute to the overall industry's future success and likely their compensation, as a result.

► BOARD RETAINER AND FEES LEAD PAY MIX

Real estate board directors' average total compensation consists of 49 percent stock awards, 41 percent board retainers and fees, 8 percent committee retainers and fees and 2 percent in stock options. Though this year's pay mix is on par with last year's offerings, board directors of real estate companies experienced the greatest increase in their committee retainers and fees (10 percent) and the largest drop in their stock options (56 percent) of all surveyed industries.



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